

Message Text

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DRAFTED BY EA/IMS:ARDORNHEIM:CCH

APPROVED BY EA/IMS:EDWARD C. INGRAHAM

EA/J:MR. LAMBERTSON

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R 281908Z MAR 77

FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA

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FOL RPT TOKYO 4016 ACTION SECSTATE 23 MAR 77 QUOTE

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E.O. 11652: N/A

TAGS: ENRG, JA, TQ

SUBJECT: GOJ INTEREST IN PALUAU SUPERPORT PROJECT

REF: STATE 61259

1. SUMMARY. GOJ INTEREST AND INVOLVEMENT IN THE PALAU CTS SEEM MARGINAL AT THE PRESENT TIME, TAKING SECOND PLACE TO EFFORTS TO FULFILL IEA STORAGE REQUIREMENTS WITH FACILITIES IN JAPAN. MITI MONEY FOR CTS PROJECTS IS NOT PAID DIRECTLY, BUT CHANNELED THROUGH INTERNATIONAL CTS ASSOCIATION, WHICH HAS NOT SPENT ANY FUNDS FOR PALAU STUDIES. END SUMMARY.

2. OUR IMPRESSION IS THAT AT PRESENT THE GOJ HAS A GENERAL INTEREST IN THE PALAU CTS PROJECT, AS IT DOES IN ANY IDEA FOR BRINGING OIL CLOSER, BUT THAT IT HAS TAKEN NO DECISION ON WHETHER TO BECOME ACTIVELY INTERESTED IN, OR SUBSTANTIALY LIMITED OFFICIAL USE

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PAGE 02 STATE 068273

INVOLVED IN WHAT AT THIS POINT IT VIEWS AS A MATTER FOR PRIVATE BUSINESS. GOJ'S PRIMARY CONCERN NOW IS CONSTRUCTING FACILITIES ON JAPANESE SOIL TO FULFILL THE IEA 90-DAY RESERVE STORAGE REQUIREMENT. WHETHER OR NOT IT MIGHT FIND IT ADVISABLE IN THE FUTURE TO HAVE ACCESS TO SOTRAGE IN EXCESS OF 90 DAYS IS UNDER STUDY, BUT WE GATHER IS NOT CONSIDERED URGENT.

3. GOJ INVOLVEMENT IN THE PALAU PROJECT IS THEREFORE EQUALLY MINOR. GOJ FUNDS ARE CHanneLED THROUGH THE INTERNATIONAL CTS ASSOCIATION, WHICH WAS SET UP IN 1975 TO EXAMINE ALL PROPOSED OVERSEAS CTS SITES, BUT TO DATE ONLY 15 MILLION YEN (ABOUT DOLS 88,000) HAS BEEN SPENT ON A PRELIMINARY SITE SURVEY AT LOMBOK. WE UNDERSTAND THAT THE SURVEY WAS COMPLETED IN AUGUST 1976, BUT THAT SO FAR NO FEASIBILITY STUDY HAS BEEN UNDERTAKEN. WE WERE TOLD THAT A SIMILAR AMOUNT (24.6 MILLION YEN) WAS INCLUDED IN THE JFY 1976 BUDGET FOR A SITE SURVEY AT PALAU, BUT THAT THE REQUIRED CONTRACT BETWEEN MITI AND THE INTERNATIONAL CTS ASSOCIATION WAS NOT CONCLUDED, SO THAT FUNDS WERE NOT EXPENDED. THIS MAY HAVE BEEN THE BASIS FOR THE REPORT THAT MITI FURNISHED MONEY TO NISSHO IWAI. BOTH MITI AND NISSHO IWAI SAID THAT THE REPORT OF A DIRECT MITI PAYMENT TO NISSHO IWAI WAS INCORRECT, AND EXPLAINED THE ROLE OF THE INTERNATIONAL CTS ASSOCIATION IN THE CHANNELING OF CTS STUDIES.

4. MATCHING WHAT WE FEEL IS RELATIVELY BACK-BURNER GOJ INTEREST IN PALAU, IS AN APPARENT HESITANCY ON THE PART OF JAPANESE BUSINESS INTERESTS. THEY WILL OBVIOUSLY TAKE A HARD LOOK AT THE ECONOMICS OF THE OPERATION, BUT ENVIRONMENTAL CONSIDERATIONS, AND THE DECISIONS WHICH THE PALAUANS WILL TAKE WHEN THE RESULTS OF THE ENVIRONMENTAL IMPACT STATEMENT ARE IN WILL WEIGH HEAVILY IN THEIR DECISIONS ABOUT THE SUPERPORT. LIMITED OFFICIAL USE

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PAGE 03 STATE 068273

5. OUR GENERAL IMPRESSION OF A RATHER LOW LEVEL OF INTEREST IN PALAU, AT LEAST AT PRESENT, IS SUPPORTED BY THE LACK OF PRESS INTEREST IN THE SUBJECT, EXCEPT THAT GENERATED BY NON-JAPANESE, E.G. THE RECENT VISITS HERE BY HARVARD PROFESSOR JULIAN GRESSER (TOKYO 3409) WHO RAISED ENVIRONMENTAL CONCERNS AND BY THE PALAUN ASSEMBLYMEN, TOSHIO NAKAMURA, MGIRATKEO ETPISON, AND MASAICHI ETITERENGEL. NAKAMURA TOLD A PRESS CONFERENCE ON MARCH 9 THAT SOME SORT OF ECONOMIC DEVELOPMENT WAS NECESSARY BEFORE U.S. TRUSTEESHIP ENDS IN 1981. HE ADMITTED, THOUGH, THAT ENVIRONMENT CONCERNS WERE IMPORTANT AND SAID HE HAD ASKED THE USG TO HAVE A SURVEY MADE, SO THAT ON THE BASIS OF BOTH THE ENVIRONMENTAL STUDY AND A FEASIBILITY STUDY THE PALAUANS COULD THEMSELVES MAKE UP THEIR MINDS ABOUT THE CTS.

6. WE HOPE THIS IS HELPFUL FOR THE HEARINGS. WE HAD BEEN IN THE PROCESS OF PREPARING A MORE DETAILED REPORT

WHEN REFTEL WAS RECEIVED. WE WILL SEND THE LONGER
REPORT SOON WHEN WE GET A FEW MORE I'S DOTTED AND
T'S CROSSED.

BUTTON

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Message Attributes

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Sent Date: 28-Mar-1977 12:00:00 am
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Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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Disposition History: n/a
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